[Mr. M. Govinda Pillai]

sales would mount up to Rs 1 lakh next year. Drainage pipes, pickle jars, Sanitary wares and electrical goods are being successfully manufactured at the factory. The question of finding suitable markets for these goods and also primarily for the refined China clay itself whose high quality is admitted, is engaging the attention of Government. The total investment on the factory at the end of this year will be Rs 6·85 lakhs and Rs 7·35 lakhs at the close of next year.

40. *State Life Insurance.* The Public Branch of the State Life Insurance having completed the first five years of its existence in Kumbhom last, steps have been taken for the first acturial valuation of the Insurance Fund. The results of the valuation are not yet available. But there is no question of the continued popularity of the scheme. The number of policies in force is over 5100 and the balance to the credit of the fund which stood at Rs. 3·73 lakhs at the commencement of the current year is expected to go up to Rs 5·53 lakhs by the close of the year. The official branch of the Insurance Scheme is also working satisfactorily and the closing balance of the Fund at the end of the year is expected to be 4·46 lakhs.

41. *The State Provident Fund.* The scheme is becoming more and more popular from day to day among the officers of Government, the number of subscribers admitted to the fund to date being about 12,700 against 11,234 at the close of last year. The closing balance at the end of the current year is expected to stand at Rs 11·85 lakhs and that at the end of next year at Rs 14·45 lakhs.

42. *Savings Bank (Anchal and Treasury).* The Savings Bank is being resorted to very freely by the public for investing their money in. The closing balance in the Savings Banks of the State which stood at Rs 182 lakhs at the close of 1113 is expected to mount up to Rs 186 lakhs at the close of this year and to Rs 196 lakhs at the close of next year.

In deference to the repeated wishes of the investing public restrictions regarding the maximum deposit to the credit of a depositor have recently been modified, the limit having been raised in a few Treasuries and Anchal Offices from Rs 20,000 to Rs. 50,000, the interest on the excess over Rs 20,000 being however only 2 per cent.

ASSETS AND LIABILITIES.

43. The usual statements of assets and liabilities are furnished on pages 13 and 14 of the budget estimates. The Government balance including the General Reserve fund of Rs 60·55 lakhs, the Revenue Reserve Fund of Rs 12 lakhs and the Sinking Fund balances which stood at Rs 136·26 lakhs at the beginning of the current year, is estimated to stand at Rs 94·71 lakhs at the close of the next year, as a result of our capital programmes on non-productive schemes during the current and ensuing years. Besides the above, we have financed remunerative schemes, shown under Debt Heads to the extent of Rs 194·66 lakhs. This is a true picture of our present position, and in

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considering it, attention should be directed to the circumstance that we have so far financed capital expenditure on productive and non-productive schemes amounting to more than Rs four crores, besides advancing Rs 37·59 lakhs for the fourth stage works of the Cochin Harbour and for the purchase of Dredging Plant for that Port. Since most of the capital works already taken up are nearing completion or will be completed by the close of the next year and the final payment of the balance of the loan towards the fourth stage works of the Cochin Harbour is expected to be made next year, we may not have to draw much, if at all, from the Government account balance in future. On the other hand, the Government balance would be increased by Rs 15 lakhs when the mofussil water supply schemes are completed, since one half of the cost of the scheme to be borne by the Municipal Councils is to be treated as a loan to the Councils to be repaid in annual instalments at 4½ per cent. interest per annum.

WAYS AND MEANS.

44. With a view to finance our capital schemes in progress, both productive and non-productive, it was proposed this time last year, to withdraw Rs 25·44 lakhs from our surplus investments. But as the progress of expenditure did not go up to the anticipated level, it was found necessary to withdraw only Rs 5 lakhs during the year. Our working balance in the Treasuries and the Imperial Bank is expected to amount to Rs 45·92 lakhs at the close of the current year. During the next year we have to finance productive and non-productive capital expenditure to the extent of Rs 54·25 lakhs. The Government account is expected to bring in Rs 5·20 lakhs and the Debt Head and Fund transactions are expected to result in an incoming of Rs 19·32 lakhs. It may become necessary to provide funds to the extent of Rs 25 lakhs. Since these funds are not immediately required, it is proposed to provide them according to the progress of the works from our surplus investments as a temporary measure. It is therefore proposed to withdraw next year Rs 25 lakhs from our surplus investments to maintain sufficient working balance.

THE PAST DECADE—A RETROSPECT.

45. I have thus far attempted in as brief a manner as possible to picture to the House the financial condition of the State in the years 1113, 1114 and 1115. The actuals of 1113 are satisfactory; the revised figures for the current year are hopeful and the anticipations for the coming year are re-assuring. Yet, I am constrained to seek your indulgence Sir, for a few moments more so that I may present to you as succinctly as possible the financial position of the State during the past decade. Such a retrospect has become imperatively necessary to remove the misapprehensions and misconceptions in the public mind which constitute the inevitable sequence to the irresponsible and tendentious utterances and writings, both here and abroad, of persons who should know better. These, otherwise amiable people, have been reckless in their denunciation of the financial policy of the State and

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